



**Attorney General
Betty D. Montgomery**

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September 11, 1995 **FCC MAIL ROOM**

Via Overnight Mail

Office of the Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D. C. 20554

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Re: *In the Matter of the Revision of
a Notice of Proposed
Rulemaking in the Matter of
Telephone Number Portability,
CC Docket No. 95-116, RM 8535*

Dear Mr. Caton:

Enclosed please find the original and ten copies of the **Comments of the Public Utilities Commission of Ohio Concerning the Federal Communications Commission Notice of Proposed Rulemaking in the Matter of Telephone Number Portability** in the above-referenced matter. Please return a time-stamped copy to me in the enclosed stamped, self-addressed envelope

Thank you for your assistance in this matter.

Respectfully submitted,

A handwritten signature in cursive script, reading "Ann E. Henkener".

ANN E. HENKENER
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AEH/kja

Enclosure

cc: Policy and Program Planning Division
International Transcription Services, Inc.

Re: Policy rec'd
FCC DOE

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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IN THE MATTER OF A NOTICE)
OF PROPOSED RULEMAKING)
IN THE MATTER OF TELEPHONE)
NUMBER PORTABILITY)

CC Docket No. 95-116
RM 8535

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COMMENTS OF THE PUBLIC UTILITIES COMMISSION OF OHIO CONCERNING THE
FEDERAL COMMUNICATIONS COMMISSION NOTICE OF PROPOSED RULEMAKING
IN THE MATTER OF TELEPHONE NUMBER PORTABILITY

Introduction:

The Public Utilities Commission of Ohio (PUCO) is of the opinion that number portability is paramount to the success of introducing competition into the local exchange telephone market. Telephone users often develop strong associations between telephone numbers and called parties. This association is most notable in the business environment. The inability of a subscriber to retain their current telephone number is a strong deterrent when considering a switch from one local service provider to another, moving locations or both. Such a deterrent acts as a major competitive disadvantage and barrier to market entry for new entrants into the local exchange service provider market.

The PUCO has been carefully examining the issues surrounding number portability for over a year. As part of an alternative regulation order for Ameritech Ohio (Case no. 93-487-TP-ALT) the PUCO agreed to begin a full-scale set of workshops to consider on a generic basis the issues of local exchange competition. As part of those workshops the PUCO conducted a set of workshops devoted exclusively to number portability and number administration. During that workshop process PUCO staff heard from a significant number of potential local service provider competitors. They were unanimous in their agreement that the business subscribers' inability to retain their telephone number was often the deciding factor in a competitive choice between providers. High-use and telephone reliant residential subscribers would also be very reluctant to change their telephone numbers in order to switch to a competitive provider.

Ohio is one of several states that have been examining the issue of number portability at length. The state that has probably accomplished the most in this arena is Illinois. For the past several months the Illinois Commerce Commission has held a series of workshops devoted entirely to number portability. These workshops were unique in that they were a forum for the development of a detailed industry consensus on the technical implementation of long-term number portability in Illinois. Numerous difficult and contentious issues were worked through and agreed upon.

Staff from the PUCO has been participating in these workshops. Other states have also made significant progress in this area including the introduction of number portability trials in New York, Washington, California.

Role of the States:

The PUCO believes that Ohio and several other states have moved well beyond the early stages of discussing number portability. It is our sincere hope that this work will not have been in vain. The work of the states should be built upon, not ignored or over-ridden. The states are in the best position to make number portability a successful reality in the near-term. The role of the states should be to continue to assist the industry in developing and implementing the most appropriate number portability solutions for their respective states. The unique regulatory, technical, and market environment of each state demands that number portability be tailored to fit each state. Ohio does not intend to reinvent the wheel. Rather, in handling the unique concerns and needs that were identified through our workshop process, we intend to borrow from the developing expertise of other states who have already dealt with some of the issues surrounding this complex problem.

Role of the FCC:

The PUCO believes that competitive and state regulatory pressures are sufficient to drive the development of compatible number portability solutions. However, there is a need for FCC involvement in this process because number portability is a nationwide concern and the solutions settled upon are likely to have significant technical and economic impacts. The PUCO does not believe that the FCC should mandate particular technical solutions, but rather coordinate the industry standardization of all technical solutions that might be tailored to suit the individual market and technical needs of each state. A single national solution would be unlikely to suit the individual market and technical needs of the various states. Furthermore, the time required to develop a national solution would certainly delay the deployment of number portability in many states that are already well into the pursuit of a number portability solution for their respective states. The role of the FCC should include the development of rules by which states could select and implement number portability solutions that meet their individual needs but also adhere to defined technical interface standards and comport with national policies.

The FCC has tentatively concluded that a nationwide solution to number portability is in the federal interest. The PUCO is concerned about the costs of a nationwide solution. To the degree that each state has unique service requirement regulations, different public interests due to demographics, and different levels of technically advanced network deployments, any nationwide solution chosen by the FCC would have significant impacts that would vary from state to state. Some states may incur significantly high costs to implement a solution that does not consider their current regulatory, technical and market environment, while other states may incur relatively little cost.

Many states are currently involved in the implementation of local exchange competition. In addition to formal proceedings before state commissions, many informal and formal negotiations

between potential competitors are also on-going. The PUCO fears that some providers may look to and even support a lengthy process by the FCC to select a single national solution to number portability solely on the basis of a delaying tactic during the on-going local proceedings and negotiations. Ohio, along with many other states, has certified competitive local service providers. The current rate of progress on number portability in the various states has lead to some comfort that number portability would be implemented in the near-term and entry into the market need not be delayed. If the FCC begins a process to select one national solution, competitive market entry is likely to be delayed as carriers pull-back from faithful negotiations in the face of potential, long-term unknown financial and competitive impacts.

The PUCO is also concerned that a single national solution that does not offer sufficient flexibility would reduce the nation's telecommunications standards in this regard to the lowest common denominator. There is concern that states with more technically advanced network deployments, higher minimum service standards, and/or larger numbers of competitive entrants might be unable to tailor their number portability solution to take advantage of those factors. Rather than a national solution, the FCC should take a leadership role in the development of a national framework that would allow individual states to develop solutions that meet the needs of their citizens. A national framework could ensure technical interface standards and efficient use of numbering resources.

The FCC should also focus its attention on the issues of cost and cost recovery. These are certain to be the most contentious issues, and the PUCO hopes that the FCC will foster an expedient resolution to the issues of cost and cost recovery. To that end, the PUCO suggests that the issue of cost and recovery be examined regionally. Given the magnitude of the database(s) required to implement number portability, database deployment is likely to be on a state-by-state or regional basis. If that is the case, the PUCO believes that the FCC should foster the development of regional forums to consider and resolve the issues surrounding costs and cost recovery. However, should the FCC decide to resolve these issues utilizing a federal/state Joint-Board, the PUCO would support such a Joint-Board under certain preconditions. The Joint-Board should be newly formed and devoted exclusively to the resolution of cost and cost recovery issues, and the Joint-Board should be given a definitive sunset date by which to reach resolution. The PUCO would suggest that any such Joint-Board include representation from regions which have been examining number portability on a detailed basis.

Number Portability Solutions:

Service, service provider, and location number portability are all important and have competitive implications. However, the PUCO believes that service provider and location portability are the solutions on which the industry and regulatory agencies must focus. The introduction of service provider number portability will eliminate a major barrier to market entry as well as a competitive disadvantage for new local service provider entrants. The introduction of location number portability will further promote competition and offer telephone subscribers much greater choice.

While there appears to be a great deal of industry and regulatory consensus that service provider number portability is the most important first step, the PUCO believes it is imperative that any

solution to service provider number portability be easily migratable to location number portability as technology and market demand develops. It would be wholly unwise to develop and implement any solution that was incapable of evolution and, therefore, finite in its near-term application. The cost (both financial and time) of developing and implementing any number portability solution mandates that solutions be long-term and capable of evolution.

Currently, remote call forwarding (RCF) and direct inward dialing (DID) offer alternatives to true number portability. While RCF and DID do have technical limitations, the PUCO believes they are acceptable interim alternatives. The PUCO is opposed to devoting any time or financial resources to the industry's development of better interim number portability alternatives either on a state or national basis. Several states are looking at long-term permanent solutions with possible implementation beginning as early as 1996. It would be a serious waste of resources and a significant step backward to consider alternative interim solutions at this point in time.

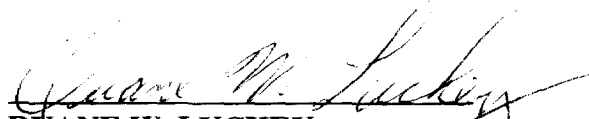
Conclusion:

The FCC should resist the urge to select a single number portability solution for the nation. Instead the FCC should take a leadership role in the development of a number portability framework that states can follow when implementing number portability. The FCC should convene regional forums or a new and exclusive federal/state Joint-Board to examine and resolve the issues of costing and recovery. It is also imperative that a definite and expedient deadline be set to reach a resolution. Significant progress is being made toward permanent true number portability. The PUCO urges the FCC not to delay the introduction of number portability by preempting the states, but rather to foster, through an integrated state/federal effort, the progress that is already being made.

Respectfully submitted,

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